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Message Text

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ACTION STR-04

INFO OCT-01 STRE-00 AF-08 ARA-10 EA-09 EUR-12 NEA-10 IO-13
ISO-00 FEA-01 AGRE-00 CEA-01 CIAE-00 COME-00 DODE-00
EB-07 FRB-01 H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00
NSC-05 PA-02 AID-05 CIEP-02 SS-15 ITC-01 TRSE-00
USIA-15 PRS-01 SP-02 OMB-01 XMB-04 OPIC-06 /157 W
---------- 026575 /12
R 161045Z DEC 76
FM USDEL MTN GENEVA
TO SECSTATE WASHDC 2135
INFO AMEMBASSY BONN
AMEMBASSY BRASILIA
WMEMBASSY BRUSSELS 6084
USMISSION EC BRUSSELS
AMEMBASSY BUENOS AIRES
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY THE HAGUE
AMEMBASSY LONDON
AMEMBASSY LUXEMBOURG
AMEMBASSY MEXICO CITY
AMEMBASSY NEW DELHI
AMEMBASSY OTTAWA
USMISSION OECD PARIS
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY STOCKHOLM
AMEMBASSY TOKYO
USMISSION USUN NEW YORK

UNCLAS SECTION 1 OF 2 MTN GENEVA 9964

ACTION STR

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E.O. 11652: N/A
TAGS: MTN, ETRD, GATT
SUBJ: TARIFFS - SPECIAL AND DIFFERENTIAL TREATMENT FOR LDCS

FOLLOWING IS TEXT OF U.S. STATEMENT ON SPECIAL AND
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DIFFERENTIAL TREATMENT FOR DEVELOPING COUNTRIES GIVEN AT

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MTN TARIFFS GROUP MEETING DECEMBER 15. BEGIN TEXT:

MR. CHAIRMAN:

IN YOUR SUMMING-UP OF THE MEETING OF THIS GROUP HELD ON OCTOBER 13 AND 14 (MTN/TAR/7), YOU RECORDED YOUR IMPRESSION THAT THE TIME HAD COME FOR THE GROUP TO MAKE CONCERTED EFFORTS TO DECIDE HOW BEST TO FULFILL IN THE TARIFF FIELD THE TOKYO UNDERTAKING TO PROVIDE, WHERE FEASIBLE AND APPROPRIATE, SPECIAL AND DIFFERENTIAL TREATMENT FOR DEVELOPING COUNTRIES. YOU NOTED THAT THE GROUP AGREED THAT FOR THE NEXT MEETING DELEGATIONS WOULD PREPARE THEMSELVES TO FOCUS ON THIS ISSUE, COVERING BOTH THE QUESTION OF SPECIAL PROCEDURES AND SPECIAL MEASURES, WITH A VIEW TOWARD REACHING AGREEMENT.

THE QUESTION OF SPECIAL AND DIFFERENTIATED TREATMENT FOR DEVELOPING COUNTRIES IS ONE OF SEVERAL KEY ELEMENTS IN A TARIFF NEGOTIATING PLAN. OTHERS, OF COURSE, INCLUDE THE TARIFF REDUCTION FORMULA, WHICH HAS THUSFAR TAKEN UP MUCH OF OUR ATTENTION, AND THE PROCEDURES FOR ESCEPTIONS, WHERE COUNTRY POSITONS HAVE NOT YET BEEN FULLY ELABORATED. THIS PLAN MUST BE VIEWED AS A SINGLE, INTEGRATED WHOLE. GIVEN THE CLOSE INTERRELATIONSHIP AMONG THE ELEMENTS OF SUCH A PLAN, IT WOULD BE VERY DIFFICULT TO REACH AGREEMENT ON ANY SINGLE ELEMENT UNTIL THE OTHER ELEMENTS BECAME CLEARER.

MANY DELEGATIONS IN PREVIOUS MEETINGS HAVE STRESSED THE IMPORTANCE OF REACHING AGREEMENT ON SPECIAL AND DIFFERENTIATED TREATMENT NO LATER THAN THE TIME THAT AGREEMENT IS REACHED ON THE QUESTION OF A TARIFF REDUCTION FORMULA. IT WAS, I BELIEVE, THE GROUP'S EXPECTATION THAT A SIGNIFICANT AMOUNT OF WORK WOULD BE DONE BEFORE THIS MEETING IN AN EFFORT TO NARROW EXISTING DIFFERENCES ON THE QUESTION OF A TARIFF REDUCTION FORMULA. WE HAD HOPED THAT AGREEMENT ON A TARIFF NEGOTIATING PLAN COULD BE REACHED BY THE END OF THIS YEAR. HOWEVER, MR. CHAIRMAN, SUCH AGREEMENT DOES NOT NOW APPEAR POSSIBLE WITHIN THAT TIMEFRAME.

IT IS IMPORTANT TO NOTE, MR. CHAIRMAN, THAT A CONSENSUS ALREADY EXISTS IN THIS GROUP ON A PARTICULARLY SIGNIFICANT
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MEASURE PROVIDING SPECIAL AND DIFFERENTIAL TREATMENT FOR DEVELOPING COUNTRIES. IT IS AN IMPORTANT MEASURE THAT HIGH-LIGHTS, I THINK, THE VALUE OF THE MFN CLAUSE THAT SO MANY OF US TAKE FOR GRANTED. I REFER, OF COURSE, TO THE FACT THAT DEVELOPING COUNTRIES WILL AUTOMATICALLY, WITHOUT APPLYING THE FORMULA TO THEIR OWN SCHEDULES, BENEFIT FROM THE SIGNIFICANT TARIFF REDUCTIONS THAT THE FORMULA COUNTRIES WILL MAKE. THIS IS A GOOD AND VALUABLE SPECIAL MEASURE, AND ONE WHICH SHOULD

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NOT BE OVERLOOKED IN OUR AMBITION TO MAKE MORE SPECIFIC PARAGRAPH 5 OF THE TOKYO DECLARATION.

AS FOR ADDITIONAL SPECIAL MEASURES, MY DELEGATION HAS OUTLINED IN SEVERAL PREVIOUS MEETINGS ITS VIEWS ON THIS QUESTION. SUCH MEASURES, WE BELIEVE, WILL GREATLY CONTRIBUTE TOWARD ACHIEVING THE HIGH AIMS AND IDEALS EXPRESSED IN TOKYO MORE THAN THREE YEARS AGO. MR. CHAIRMAN, THIS IS A LONG LIST, BUT I WOULD BE PLEASED TO RESTATE IT AT THIS TIME. SPECIFICALLY, THE UNITED STATES IS PREPARED TO CONSIDER, DEPENDING UPON EITHER THE NATURE OF THE PRODUCT IN QUESTION OR THE SPECIFIC CIRCUM-STANCES:

(A) DEEPER THAN FORMULA CUTS ON PRODUCTS OF INTEREST TO DEVELOPING COUNTRIES IN CIRCUMSTANCES WHERE THE FORMULA CALLS FOR LESS THAN A MAXIMUM USE OF U.S. AUTHORITY;

(B) SPECIAL STAGING WHICH COULD INVOLVE FASTER OR SLOWER TIMEFRAMES FOR TARIFF REDUCTIONS ON PRODUCTS OF INTEREST TO DEVELOPING COUNTRIES;

(C) A COMMITMENT TO MAKE A PARTICULAR EFFORT TO LIMIT EXCEPTIONS ON PRODUCTS OF DEVELOPING COUNTRY INTEREST;

(D) TARIFF RECLASSIFICATIONS, OR EXOUTS, TO ALLOW THE OPENING OF NEW TARIFF LINES FOR PRODUCTS OF INTEREST TO DEVELOPING COUNTRIES;

(E) AN EFFORT TO ELIMINATE OR SUBSTANTIALLY REDUCE TARIFF ESCALATION AFFECTING PRODUCTS OF INTEREST TO DEVELOPING COUNTRIES;

(F) THE UNITED STATES DOES NOT EXPECT THE DEVELOPING COUNTRIES, IN THE COURSE OF TRADE NEGOTIATIONS, TO MAKE CONTRIBUTIONS WHICH ARE INCONSISTENT WITH THEIR INDIVIDUAL

DEVELOPMENT, FINANCIAL AND TRADE NEEDS; AND

(G) THE UNITED STATES REDEDICATES ITSELF TO GIVE SPECIAL ATTENTION TO THE PARTICULAR SITUATIONS AND PROBLEMS OF THE LEAST DEVELOPED AMONG THE DEVELOPING COUNTRIES, AS CALLED FOR IN THE TOKYO DECLARATION.

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/157 W
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R 161045Z DEC 76
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AMEMBASSY TOKYO
USMISSION USUN NEW YORK

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ACTION STR

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THESE ARE ALL MEASURES, MR. CHAIRMAN, WHICH TEND TO
INCREASEIOVZRALL TRADE LIBERALIZATION. HENCE, THEY ARE
AMONG THE MOST EFFICIENT UNDERTAKINGS WE CAN MAKE IN THIS
GROUP TOWARD PROMOTING ECONOMIC DEVELOPMENT AND RAISING

STANDARDS OF LIVING.

CONVERSELY, MR. CHAIRMAN, THE UNITED STATES HAS INDICATED

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THAT IT DOES NOT FAVOR OTHER MEASURES WHICH SEEM NOT TO BE ASSOCIATED WITH TRADE LIBERALIZAION AND WHICH WOULD BE OF LESS CERTAIN BENEFIT THAN THOSE I HAVE LISTED ABOVE. THESE INCLUDE, FOR EXAMPLE, ACTIONS WHICH WOULD LIMIT TARIFF REDUC-TIONS OR LENGTHEN EXCEPTIONS LISTS.

THERE HAVE ALSO BEEN SUGGESTIONS THAT A NUMBER OF MEASURES ASSOCIATED WITH THE GENERALIZED SYSTEM OF PREFERENCES (GSP) BE AGREED UPON IN THIS GROUP. IT IS THE U.S. VIEW THAT GSP IS AN AUTONOMOUS AND SEPARATE ISSUE. IT IS NOT A NEGOTIATING ISSUE IN THIS GROUP. MULTILATERAL TRADE NEGOTIATIONS LEAD TO OBLIGATIONS OF A PERMANENT, BOUND NATURE. GSP,ION THE OTHER HAND,IIS NOT, AND WAS NOT MEANT TO BE, A PERMANENT CONCESSION TO THE BENEFICIARY COUNTRIES. THIS IS CLEARLY STATED IN THE GATT WAIVER WHICH PERMITTED THE ESTABLISHMENT OF GSP. THAT WAIVER WAS GRANTED ON THE UNDERSTANDING THAT GSP WOULD NOT HINDER THE REDUCTION OF TARIFFS ON AN MFN BASIS.

THE TOKYO DECLARATION RECOGNIZES THE IMPORTANCE OF MAINTAININGIAND IMPROVING THE GSP. WE RECOGNIZE THAT GSP IS AN IMPORTANT AID TO ECONOMIC DEVELOPMENT. WE ARE WILLING TO CONSIDER GSP IMPROVEMENT, BUT NOT AS PART OF THE MTN.

THE UNITED STATES REVIEWS ITS LIST OF GSP PRODUCTS ON A SEMIANNUAL BASIS. PROCEDURES ARE ESTABLISHED TO PETITION FOR THE INCLUSION OF ADDITIONAL PRODUCTS IN THE US.S. GSP LIST. I SHOULD ALSO MENTION THAT IN MANY RESPECTS, THE U.S. GSP INCORPORATES ELEMENTS WHICH WOULD BE CONSIDERED IMPROVEMENTS IF INCORPORATED IN OLDER SYSTEMS. EVERY U.S. GSP ITEM, FOR EXAMPLE, PROVIDES FOR DUTY-DREE ENTRY FOR BENEFICIARY COUNTRIES. ITS COMPETITIVE-NEED CRITERIA ARE CERTAIN, EASILY UNDERSTOOD, AND DESIGNED TO PROVIDE THE GREATEST COMPETITIVE OPPORTUNITIES FOR THE LEAST DEVELOPED AMONG THE BENEFICIARY DEVELOPING COUNTRIES.

AS THE UNITED STATES HAS STATED IN THE PAST, IT CAN NEITHER AGREE TO BINDING ITS GSP RATES NOR TO BINDING GSP MARGINS OF PREFERENCE. THE UNITED STATES HAS ALSO STATED IN UNCLASSIFIED

THE PAST AND WISHES TO REAFFIRM THAT IT CANNOT AGREE TO A BUILT-IN DIFFERE NTIATOR TO A TARIFF FORMULA TO BE APPLIED TO TARIFF REDUCTIONS FOR DEVELOPING COUNTRIES.

AS FOR SPECIAL PROCEDURES FOR DEVELOPING COUNTRIES, MY DELEGATION PUT FORWARD MORE THAN A YEAR AGO (MTN/TAR/W/10 OF OCTOBER 15, 1975) WHAT IT DESCRIBED AS THE "GERM OF AN IDEA." THIS PROPOSED MUTUAL NOTIFICATION PROCESS CONTINUES TO OFFER A GOOD AVENUE FOR CONSIDERATION OF THE SPECIFIC INTERESTS OF DEVELOPING COUNTRIES. WE CONTINUE TO SEE MERIT

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INT THIS PRODUCT-ORIENTED APPROACH AND EXPECT THAT NOTIFICATION OF THIS TYPE WILL FORM THE BASIS OF NEGOTIATIONS BETWEEN DEVELOPED AND DEVELOPING COUNTRIES IN THE TARIFF AREA.

WE ARE GRATIFIED, MR. CHAIRMAN, THAT DELEGATIONS SEEM TO RECOGNIZE THE ULTIMATE NECESSITY OF DEALING WITH PARTICULAR MEASURES IN THE CONTEXT OF SPECIFIC PRODUCTS. CERTAINLY MY DELEGATION BELIEVES THAT THE SUREST AND SIMPLEST WAY TO ACCOMPLISH SPECIAL AND DIFFERENTIAL TREATMENT FOR DEVELOPING COUNTRIES IS FOR US TO GET DOWN TO WORK ON SPECIFIC PRODUCTS IN LIGHT OF THE TARIFF-CUTTING FORMULA THAT IS AGREED AND THE OTHER ELEMENTS OF THE TARIFF NEGOTIATING PLAN. END.CULBERT

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TAGS: ETRD, US, GATT, MTN
To: STATE
Type: TE
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